GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2818
ANSWERED ON:23.07.2009
DEMAND AND SUPPLY OF PETROL/ LPG
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the estimated supply and projected demand of petrol, diesel, LPG, CNG and Kerosene in the various States as on date State-wise;

(b) the steps taken by the Government to bridge the gap between the estimated demand and the projected supply of these products;

(c) whether the Union Government has received any request from State Governments to increase their quotas of petroleum products; and

(d) if so, the steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI JITIN PRASADA)

(a) & (b): The demand for petroleum products is estimated by aggregating sale of products by Oil Marketing Companies (OMCs) to their dealers as well as imports by private parties. The total demand for petroleum products during 2009-10 has been estimated provisionally at 136.614 Million Tonnes in comparison to estimated actual consumption of 133.4 Million Tonnes in 2008-09. The details of estimated demand of petrol, diesel, Liquefied Petroleum Gas (LPG) and kerosene during 2009-10 is given below:-

Figure in Thousand Metric Tonnes (TMT)

Products	Demand
Diesel	54355
Petrol	12271
LPG	12498
Kerosene	9276

The above demand will be met through supply of products either through domestic production or through imports in case of deficit.

As regards Compressed Natural Gas (CNG), the development of CNG infrastructure in different cities in the country is being taken up in a phased manner. In order to promote investment from public as well as private sector for laying trunk natural gas pipelines and city/local natural gas distribution networks throughout the country, the Government of India has enacted 'The Petroleum and Natural Gas Regulatory Board Act, 2006' and notified the 'Policy for Development of Natural Gas Pipelines and City or Local Natural Gas Distribution Networks'. Providing of CNG facilities in a particular city/town area depends inter alia upon proximity to trunk natural gas pipelines, availability of gas, setting up of necessary infrastructure and economic viability.

To augment the CNG supplies for the domestic market, the Government of India has initiated the following steps: -

(i) Intensification in domestic E&P activities;

(ii) Exploitation of Coal Bed Methane (CBM) gas;

(iii) Implementation of Natural Gas Hydrate Programme (NGHP) for evaluation of hydrate resources and their possible commercial exploitation;

(iv) Liquefied Natural Gas (LNG) import; and

(v) Gas sourcing through transnational gas pipelines.

State/Union Territory-wise details of sales of petrol, diesel, LPG, CNG and quantity allocated of Public Distribution System kerosene

during the 2008-09 is Annexed.

(c) & (d): There is no State-wise quota fixed by the Government for the allocation of petroleum products except for Public Distribution System (PDS) kerosene. Ministry of Petroleum and Natural Gas makes quarterly allocation of PDS kerosene to States/Union Territories for further distribution under the PDS network.

Requests have been received from various State Governments for increasing the SKO allocation, the Government of India commissioned a detailed study of Kerosene demand in the country, through the National Council of Applied Economic Research (NCAER) in December 2004. NCAER submitted its report in October 2005. NCAER has inter alia recommended to restrict the subsidy on kerosene to BPL families only. Also, Dr. Rangarajan Committee constituted by the Government to formulate a long- term pricing policy of petroleum products has also recommended to restrict PDS SKO subsidy to BPL families only. The Government has accepted the recommendations of Dr. Rangarajan Committee Report and has decided 'in principle' that subsidy on PDS Kerosene may be restricted to BPL families only. The proposal to work out the modalities to implement this decision and for rationalizing the allocation of PDS kerosene among States/UTs is under the consideration of the Government.